



Carol M. Palmore
Secretary

COMMONWEALTH OF KENTUCKY
PERSONNEL CABINET
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Paul E. Patton
Governor

October 28, 1999

MEMORANDUM

PERSONNEL MEMO 99 - 11

TO: Cabinet Secretaries
Agency Heads
Personnel Executives
Payroll Officers

FROM:


Carol M. Palmore, Secretary

SUBJECT: State Employee Adoption Benefit Program Payments

As the applications and approvals for Adoption Benefits have increased, it has become apparent that there is some confusion on how payments are to be issued. As an employee benefit, payments for adoption assistance are subject to FICA withholding. Accordingly, in order to get the FICA withheld and the necessary reporting on the employee's W-2, all payments for this program must be issued through the state payroll system.

Once the application has been submitted to the Personnel Cabinet and has been approved, the Personnel Cabinet will send notice of the approval to the requesting Cabinet Secretary's office. The cabinet's coordinator for this program should forward the approval and corresponding documentation to the payroll officer. The payroll officer will issue the payment, using Special Pay 916. This payment will be charged to the agency and will show as minor object code E174, to allow tracking of the cost of this benefit program.

If payments have been issued outside the payroll system, using either STARS or MARS, the payroll record must be adjusted as soon as possible to collect the FICA due for this calendar year. Please direct questions on how to make these adjustments to Carol Kelien at (502) 564-6883.

If there are questions relating to how the program itself works or the required forms for application, please direct these questions to Kathy Molen at (502) 564-7911.

